

## Message Text

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17  
ACTION H-03

INFO OCT-01 EA-06 ISO-00 SS-07 NSC-06 AID-01 /024 W  
----- 011573  
R 080917Z NOV 76  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 2402

LIMITED OFFICIAL USE SECTION 1 OF 2 MANILA 17285

E. O. 11652: NA  
TAGS: EAID, EFIN, OREP (FREEMAN, CONSTANCE)  
SUBJECT: STAFFDEL FREEMAN VISIT TO THE PHILIPPINES

REF: MANILA 16784

1. SUMMARY. STAFFDEL FREEMAN VISITED THE PHILIPPINES FOR NEARLY TWO WEEKS TO GAIN IMPRESSIONS ABOUT U.S. ASSISTANCE, BOTH BILATERAL AND THROUGH THE INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS). AS OF THE TIME OF DEPARTURE, SHE INDICATED SHE HAD NOT REPEAT NOT MADE FIRM CONSLUSIONS ON A NUMBER OF DEVELOPMENT ISSUES. SHE INDICATED SOME RESERVATIONS ABOUT THE FFECTIVENESS OF LAND REFORM. SHE ALSO PAID SPECIAL ATTENTION TO THE RESETTLEMENT ASPECTS OF THE TONDO FORESHORE PROJECT AND DAM PROJECTS. SHE QUESTIONED THE INVOLVEMENT OF DBP IN THE HOTEL-BUILDING PROGRAM, BUT WAS APPARENTLY SATISFIED THAT THE IFIS HAD NEITHER ENCOURAGED NOR HELDPED FINANCE THESE VENTURES. FREEMAN WAS APPARENTLY NOT REPEAT NOT CONVINCED THAT THE FAMILY PLANNING PROGRAM IS ADEQUATE, AND SHE WAS INCLINED TO QUESTION OFFICIAL FIGURES WHICH PLACE THE PHILIPPINES LOW IN RELATIVE NUTRITION LEVELS. THE VISIT WAS MUCH LESS THAN A COMPREHENSIVE LOOK AT U.S. ASSISTANCE, BUT HAD ONLY THE NARROWER OBJECTIVE OF DEEPENING UNDERSTANDING OF DEVELOPMENT IN THE PHILIPPINES BY THE SUB-COMMITTEE ON FOREIGN ASSISTANCE. FREEMAN'S VISIT, WHEN REPORTED IN A COMMITTEE DOCUMENT, SHOULD CONTRIBUTE TOWARD MEETING THAT OBJECTIVE. END SUMMARY.

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2. DR. CONSTANCE FREEMAN, MEMBER OF THE STAFF OF THE

SUBCOMMITTEE ON FOREIGN ASSISTANCE, SENATE FOREIGN RELATIONS COMMITTEE, VISITED THE PHILIPPINES FROM OCTOBER 17 TO OCTOBER 30. HER PURPOSE WAS TO GAIN A BETTER UNDERSTANDING OF U.S. DEVELOPMENT ASSISTANCE, BOTH BILATERAL AND THROUGH THE IFIS. FREEMAN'S COLLEAGUE, ROBERT MANTEL, WAS LOOKING SEPARATELY AT MILITARY ASSISTANCE (SEE REFTEL). FREEMAN INDICATED BEFORE DEPARTURE THAT WHILE THE FORMAT AND HANDLING OF THEIR REPORT HAS NOT BEEN FIRMLY ESTABLISHED, SHE AND MANTEL WILL PROBABLY DO A JOINT REPORT WHICH WILL BE ISSUED AS A COMMITTEE DOCUMENT. SHE THOUGHT THERE WAS SOME POSSIBILITY THAT SHE MIGHT DO A SEPARATE REPORT ON U. S. ASSISTANCE THROUGH IFI ACTIVITIES IN THE RP.

3. IN MANILA, DR. FREEMAN HAD MEETINGS WITH THE FOLLOWING AMONG OTHERS:

ANTONIO M. LOCSIN, DEPUTY DEIRECTOR GENERAL OF NEDA

RUSSEL CHEETHAM, PROJECT MANAGER, REGIONAL DEVELOPMENT PROJECT, NEDA

TRISTAN EASTWOOD, UNFPA

DONAL BERGSTROM, UNDP

SHIRO INOUE, PRESENT ADB, AS WELL AS A NUMBER OF ADB STAFF AND SEVERAL DIRECTORS FROM DONOR AND RECIPIENT COUNTIES

PLACIDO MAPA, JR., CHAIRMAN, DBP

WALDO PERFECTO, DEPARTMENT OF EDUCATION

REPRESENTATIVES OF VOLUNTARY AGENCIES.

SHE SPENT CONSIDERABLE TIME WITH USAID OFFICERS DISCUSSING POPULATION, NUTRITION, AND LAND REFORM ISSUES. IN ADDITION, SHE HAD SOME APPOINTMENTS WHICH WERE NOT MADE THROUGH THE EMBASSY (E.G. ALEJANDRO MELCHOR, EXECUTIVE DIRECTOR FOR THE RP, ADB).  
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4. ABOUT SIX DAYS WERE DEVOTED TO PROJECT VISITS. SHE SPENT A FULL DAY WITH ADB, INCLUDING VISITS TO THE LAGUNA DE BAY AND NAVOTAS FISH PORT PROJECTS. EXPOSURE TO IBRD PROJECTS WAS LESS SATISFACTORY, BUT DID INCLUDE THE EDUCATION DEVELOPMENT LOAN (TEXTBOOKS) AND THE TONDO FORESHORE URGAN UPGRADING PROJECTS. TWO DAYS WERE DEVOTED TO THE BICOL RIVER BASIN PROJECT, ONE DAY TO

VARIOUS ASPECTS OF USAID LOANS IN THE CAGAYAN DE ORO AREA, AND TWO DAYS TO CENTRAL LUZON, WHERE SHE LOOKED AT LAND REFORM, COOPERATIVES, RURAL CREDIT, IRRIGATION (THE IBRD PANTABANGAN DAM PROJECT), FRESHWATER AQUACULTURE, AND INTEGRATED DEVELOPMENT.

5. DR. FREEMAN'S PREVIOUS FIELD EXPERIENCE IN DEVELOPMENT ECONOMICS WAS IN INDIA AND AFRIACA. IN OVERALL TERMS, SHE WAS INITIALLY IMPRESSED BY THE PACE OF DEVELOPMENT IN THE RP, BUT CAME TO APPRECIATE THE "SECOND-LEVEL" PROBLEMS FACED HERE, AND HAD APPARENTLY NOT REACHED ANY SORT OF SYNTHESIS OF HER OWN REACTIONS AS OF THE TIME SHE DEPARTED. SHE COMMENTED ON THE SPECIAL SITUATION CREATED FOR U.S. ASSISTANCE IN THE PHILIPPINES BY OUR HISTORICAL TIES, THE PERVASIVENESS OF OUR CULTURAL INFLUENCE, AND THE LARGE U.S. OFFICIAL PRESENCE.

6. FREEMAN GAVE SPECIAL ATTENTION TO THOSE DEVELOPMENT ISSUES WITH CURRENT HIGH VISIBILITY; NAMELY, LAND

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INFO OCT-01 EA-06 ISO-00 SS-07 NSC-06 AID-01 /024 W  
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R 080917Z NOV 76  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 2403

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REFORM, THE TONDO FORESHORE PROJECT, HOTEL BUILDING, AND POPULATION. SHE QUESTIONED LOCAL OFFICIALS EXTENSIVELY ON LAND REFORM, PARTICULARLY ON THE EFFECTIVENESS OF THE PROGRAM IN COMPLETING LAND EVALUATION AND SHIFTING PAYMENTS FROM THE FORMER LAND OWNER TO THE LAND BANK. SHE REGARDED EXPOSURE TO TONDO AS A "MUST", BECAUSE OF CONTINUING EXPOSURE TO EFFECTIVE LOBBYING GROUPS IN THE U.S. WHO OPPOSE THE PROJECT. SHE INDICATED THAT SHE REGARDED GOP ADMINISTRATION OF THE PROJECT AS REASONABLY EFFECTIVE AND RESPONSIVE TO THE ASPIRATIONS

OF THE RESIDENTS. SHE WAS ALSO CONCERNED ABOUT THE RESETTELEMENT ASPECTS OF DAM PROJECTS, SUCH AS PANTABANGAN AND THE CHICO RIVER (BOTH IBRD). GOP OFFICIALS IN EFFECT ACKNOWLEDGED THAT THE PANTABANGAN RESETTLEMENT WAS MISHANDLED. AS FOR RECENT CONSTRUCTION OF NUMEROUS LUXURY HOTELS IN MANILA, SHE DISCUSSED THIS AT SOME LENGTH WITH ADB OFFICIALS; RUSSEL CHEETHAM, IBRD OFFICER NOW ON DETAIL TO THE GOP; AND WITH THE CHAIRMAN OF THE DBP, PLACIDO MAPA. WHILE SHE PROBABLY RETAINED DOUBTS ABOUT THE WISDOM OF THE BUILDING PROGRAM, AND THE INVOLVEMENT OF THE DBP, ONE OF HER CONCERNS WAS AT LEAST PARTIALLY LAID TO REST--A CONCERN THAT ADB AND IBRD LENDING TO THE DBP HAD SOMEHOW ENCOURAGED HOTEL FINANCING. SHE WAS ASSURED THAT IFI LENDING WAS FOR PROJECTS OTHER THAN HOTELS.

7. WITH RESPECT TO THE POPULATION PROGRAM, SHE EXPRESS CONCERN ABOUT THE GOP'S COMMITMENT, WHETHER IT WAS GENUINE OR ONLY RHETORIC. SHE WONDERED ABOUT LIMITED OFFICIAL USE

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THE EFFECTIVENESS OF USAID ASSISTANCE TO THE PROGRAM AND USAID'S RELATIONSHIP TO BOTH POPCOM AND THE POPULATION CENTER FOUNDATION. SHE ALSO QUESTIONED WHETHER DR. ESMUNDO (POPCOM) HAD ENOUGH CLOUT WITHIN THE GOP TO ENSURE CONTINUED HIGH-LEVEL ATTENTION TO THE PROBLEM.

8. DR. FREEMENA PROFESSED HERSELF PUZZLED BY NUTRITION FIGURES FOR THE PHILIPPINES. HE IMPRESSIONS ABOUT AVAILABILITY FO NUTRITIOUS, MODERATELY-PRICED FOOD AND THE RELATIVELY HIGH LEVEL OF EDUCATION DID NOT SQUARE WITH THE PICTURE OF MALNOURISHMENT, IN COMPARISON WITH OTHER COUNTRIES, CONVEYED BY GOP AND USAID FIGURES, AND SHE WAS INCLINED TO THINK THE PROBLEM WAS ONE OF MEASUREMENT.

9. WITH RESPECT TO OTHER SPECIFIC USAID PROJECTS, FREEMAN WONDERED WHETHER THE INTEGRATED AGRICULTURE PRODUCTION AND MARKETING PROJECT WAS TOO AMBITIOUS, AND WHY USAID IS INVOLVED IN THE POLICY COMPONENT OF THE PROJECT. CONCERNING THE AQUACULTURE PROJECT, DR. FREEMAND QUERIED THE FILIPINO STAFF AT THE FRESH-WATER FISH STATION IN MUNOZ ABOUT THE DEGREE OF US SUPPORT AND WONDERED IF THE EVALUATION OF THE PROJECT RECOMMENDED AN EXPANSION OF THE PROJECT, WHY USAID WAS HOLDING TO ITS ORIGINAL BUDGET. SHE NOTED THAT IT APPEARED TO BE A CASE OF THE GOP PLANNERS ASSUMING CONTINUED SUAID ASSISTANCE, WHILE USAID EXPECTED THE GOP TO BEGIN PICKING UP MORE OF THE TAB.

10. ALTHOUGH DR. FREEMAN'S EXPOSURE TO U.S. ASSIST-  
ANCE IN THE PHILIPPINES WAS BOTH INTENSIVE AND WIDE-  
RANGING, IT WAS NOT HER PURPOSE TO MAKE A COMPREHENSIVE  
EVALUATION. SHE STATED THAT SHE AIMED TO GAIN FOR  
HER SUBCOMMITTEE A SERIES OF "IMPRESSIONS," AND TO  
ESTABLISH A BASE FOR EVALUATING ASSISTANCE PROPOSALS SUBMITTED  
FOR CONGRESSIONAL AUTHORIZATION. SHE WAS AN ABLE AND  
ENERGETIC OBSERVER WITH A GOOD GRASP OF DEVELOPMENT  
ISSUES, AND WITHIN THE CONFINES OF HER OBJECTIVE, THE  
VISIT WAS PROBABLY SUCCESSFUL.

SULLIVAN

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## Message Attributes

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